

Minerals
ANACONDA ~~Copper~~ Company
New Mexico Operations
P.O. Box 638
Grants, New Mexico 87020
Telephone 505 876-2211



ALBUQUERQUE DISTRICT MINING

RECEIVED *gms*

FEB 9 1982

U.S. GEOLOGICAL SURVEY *WT*
ALBUQUERQUE, NEW MEXICO

February 5, 1982

Mr. Dale C. Jones
District Mining Supervisor
United States Department of the Interior
P. O. Box 69
Albuquerque, New Mexico 87103

Dear Mr. Jones:

In regard to your letter of January 22, 1982, we have the following responses and comments:

1. As we have indicated in previous discussions, Anaconda intends to make the last shipment of ore on February 12, 1982. Pursuant to your request, we will confirm the date of the last shipment when it occurs.
2. (a) and (d) Anaconda has arranged to have a security force of nine employees on a rotating shift basis on the mine site during the period our obligations under leases 1 and 4 are being determined or agreed upon.
2. (b) We have already installed a fence and gate near one of the locations you requested and will install a similar gate at the other requested location.
2. (c) Based upon past experience, we recommend that the adits and declines be blocked with earthen plugs--rendering the workings inaccessible as the only effective manner to prevent public intrusion into the underground area. We would like to discuss this matter with you to finalize what steps you would prefer us to take while we still have a workforce.
2. (e) We have some concern regarding the request to prevent livestock from all of the disturbed areas. Ever since the inception of mining on the lease area, Pueblo of Laguna shepherders have had access through our gates to move their livestock through the lease areas. Our leases specifically reserve the right to use the surface of the lease areas to the Pueblo subject only to our right to use the surface for extraction and removal of minerals. Additionally, after termination of the leases, we don't believe we will have any legal right to prevent access by the Pueblo of Laguna to any of the areas. If you would like us to take any steps other than those currently existing, we request that we discuss the matter further with both you and the Pueblo of Laguna.
3. We confirm that we will maintain monitoring programs of the type we have and are continuing to perform. If we feel any changes in the programs from time to time are appropriate, we will discuss such changes with you. Reports of the monitoring results will be submitted to you.

4. We are in the process of rehabilitating the berms along the Rio Paguete which you had previously requested and will complete such work prior to March 31, 1982.
5. Pursuant to your request, we will make periodic inspections of the highwalls and make appropriate written notification of any potential hazards identified.
- 6 & 7. Except as you may approve, Anaconda agrees not to remove any of the mining and mining related equipment necessary to operate the mine, as well as other improvements on the leases, as you have requested, with the understanding that except as to such items we have already agreed to leave under the lease terms or other items we may otherwise agree to leave. Anaconda will be allowed a reasonable period of time at some future date to remove such items.

As you are aware, Anaconda has reached an agreement with the Pueblo of Laguna to leave buildings and improvements we are entitled to remove, after Supervisor approval of our compliance with the lease terms, as well as the railroad spur off the lease area pending a final determination of our obligations.

As we also discussed, Anaconda hereby requests permission for the right to remove the items set forth in the attached inventory and propose that Anaconda submit an additional bond in the amount of 3.3 mm dollars in lieu of the items themselves as surety for performance of remaining obligations.

8. We appreciate your permission to delay submittal of the updated mine maps and will furnish the updated maps of the final mine workings.
9. Movement of material from the U, T and N Dumps is likely to continue until the last week or two prior to March 31, 1982. Anaconda agrees it will not move other waste, protore or other materials without prior written Supervisor approval.
10. As we have written to you earlier, Anaconda will leave all existing ground support, ventilation and pumping equipment in the underground mines intact. Due to the method of mining and the type of ground, however, there undoubtedly will be some additional ground caving experienced. Because of the danger these underground workings could present, we again recommend blocking the adits with earthen plugs to render them inaccessible although the plugs could easily be removed should mining operations recommence.
11. Although the contract drill hole location and reclamation work was terminated at the request of the contractor, we have and will continue the program until about mid-March. We will provide a status report after cessation of operations and expect to resume and finish the program concurrently with performance of mine reclamation.

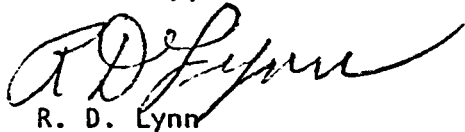
Mr. Dale C. Jones
February 5, 1982
Page 3

Anaconda will terminate all operations on the lease areas on March 31, 1982, except for the security and environmental monitoring jobs pending the final determination of obligations under the lease. We would like to meet with you soon to resolve all of the remaining tasks we need to perform while we have a workforce and electricity which will be terminated with the March 31, 1982 shutdown.

To the extent any of the foregoing or any other obligations arising under our lease require Anaconda's presence on the lease areas, we have agreed with the Pueblo of Laguna to perform the same provided we are permitted the right of access to do so after termination of the leases, without any fee or charge except as may be owed under our lease agreements and any commitment made herein is subject to the same condition.

Dale, we sincerely appreciate the concerns addressed in your letter which will help us to arrive at a trouble-free shutdown.

Sincerely,



R. D. Lynn
General Manager

mls

Attachment